

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6238

BILL NUMBER: HB 1244

NOTE PREPARED: Nov 15, 2010

BILL AMENDED:

SUBJECT: Payment Plan to Remove Property From Tax Sale.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill applies statewide the authority that currently applies only in Lake County allowing the county auditor to remove real property from a tax sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* There could be minimal expenditure savings in counties that would begin delinquency payment arrangements. The savings may include reduced printing, postage, and publishing costs related to tax sale notices.

Background: As of September 2010, the Lake County Treasurer's Office had a delinquent payment agreement with 620 properties that otherwise would be eligible for tax sale. Typical delinquent payment agreements range from 6 to 12 payment installments.

Explanation of Local Revenues: *Summary:* Properties under a repayment agreement would remain on county tax rolls instead of being removed from the rolls during the process leading up to a tax sale. When a property goes to tax sale, payment of property taxes has generally stopped or become delinquent. Agreements would allow tax revenue from those properties to continue to be collected and distributed to

various local units of government relying on property taxes as a source of revenue.

Background: The following table illustrates the statewide history of tax parcels available at tax sale in prior years.

CY	Number of Parcels Offered for Tax Sale	Number of Counties with Tax Sales During Year
2000	11,447	67
2001	10,353	71
2002	9,633	73
2003	6,818	31
2004	5,980	46
2005	8,435	64
2006	16,356	71
2007	16,380	47
2008	6,694	39
2009	22,806	10
2010*	4,794	22
Total	119,696	
*Through September 2010		

State Agencies Affected:

Local Agencies Affected: Counties.

Information Sources: Tim Rushenberg, President, SRI, 317-842-5818; Lake County Treasurer, 219-755-3760.

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